

IRS Form 1095-C (2022): Indicator Codes for Lines 14 and 16

Form 1095-C, Part II, Line 14: Indicator Code Series 1 for “Offer of Coverage”

<p>1A. Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with Employee Required Contribution equal to or less than 9.5% (as adjusted—see Note at end of this document) of mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).</p> <p>Tip: This code may be used to report for specific months for which a Qualifying Offer was made, even if the employee did not receive a Qualifying Offer for all 12 months of the calendar year. However, an ALE Member may not use the Alternative Furnishing Method for an employee who did not receive a Qualifying Offer for all 12 calendar months.</p>
<p>1B. Minimum essential coverage providing minimum value offered to employee only.</p>
<p>1C. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).</p>
<p>1D. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)). Do not use code 1D if the coverage for the spouse was offered conditionally. Instead, use code 1J.</p>
<p>1E. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse. Do not use code 1E if the coverage for the spouse was offered conditionally. Instead, use code 1K.</p>
<p>1F. Minimum essential coverage NOT providing minimum value offered to employee; employee and spouse or dependent(s); or employee, spouse, and dependents.</p>
<p>1G. Offer of coverage for at least one month of the calendar year to an individual who was not an employee for any month of the calendar year or to an employee who was not a full-time employee for any month of the calendar year (which may include one or more months in which the individual was not an employee) and who enrolled in self-insured coverage for one or more months of the calendar year.</p> <p>Note: Code 1G applies for the entire year or not at all. Therefore, if code 1G applies, an ALE Member must enter code 1G on line 14 in the “All 12 Months” column or in each separate monthly box (for all 12 months).</p>
<p>1H. No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage, which may include one or more months in which the individual was not an employee).</p>
<p>1I. Reserved for future use.</p>
<p>1J. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage conditionally offered to spouse; minimum essential coverage not offered to dependent(s). (See <i>Conditional offer of spousal coverage</i> in instructions for an additional description of conditional offers.)</p>
<p>1K. Minimum essential coverage providing minimum value offered to employee; at least minimum essential coverage offered to dependents; and at least minimum essential coverage conditionally offered to spouse. (See <i>Conditional offer of spousal coverage</i> in instructions for an additional description of conditional offers.)</p>
<p>1L. Individual coverage health reimbursement arrangement (HRA) offered to employee only with affordability determined by using employee’s primary residence location ZIP code.</p>
<p>1M. Individual coverage HRA offered to employee and dependent(s) (not spouse) with affordability determined by using employee’s primary residence location ZIP code.</p>
<p>1N. Individual coverage HRA offered to employee, spouse, and dependent(s) with affordability determined by using employee’s primary residence location ZIP code.</p>
<p>1O. Individual coverage HRA offered to employees only using the employee’s primary employment site ZIP code affordability safe harbor.</p>
<p>1P. Individual coverage HRA offered to employee and dependent(s) (not spouse) using the employee’s primary employment site ZIP code affordability safe harbor.</p>
<p>1Q. Individual coverage HRA offered to employee, spouse, and dependent(s) using employee’s primary employment site ZIP code affordability safe harbor.</p>
<p>1R. Individual coverage HRA that is NOT affordable offered to employee; employee and spouse, or dependent(s); or employee, spouse, and dependents.</p>
<p>1S. Individual coverage HRA offered to an individual who was not a full-time employee.</p>
<p>1T. Individual coverage HRA offered to employee and spouse (not dependents) with affordability determined using employee's primary residence location ZIP code.</p>

1U. Individual coverage HRA offered to employee and spouse (not dependents) using employee's primary employment site ZIP code affordability safe harbor.

1V – 1Z. Reserved for future use.

Form 1095-C, Part II: “Employee’s Age on January 1” and “Plan Start Month”

Employee’s Age on January 1: If the employee was offered an individual coverage HRA, enter the employee’s age on January 1, 2022.

Plan Start Month: The calendar month during which the plan year begins of the health plan in which the employee is offered coverage (or would be offered coverage if the employee were eligible to participate in the plan)—this box is required, so do not leave blank. Enter the applicable 2-digit number (01 through 12). If there is no health plan under which coverage is offered to the employee, enter “00.”

Form 1095-C, Part II, Line 15: “Employee Required Contribution”

Note: Complete line 15 only if code 1B, 1C, 1D, 1E, 1J, 1K, 1L, 1M, 1N, 1O, 1P, 1Q, 1T, or 1U is entered on line 14 either in the “All 12 Months” box or in any of the monthly boxes.

Note: Enter the amount of the Employee Required Contribution, which is, generally, the employee share of the monthly cost for the lowest-cost, self-only, minimum essential coverage providing minimum value that is offered to the employee. Enter the amount, including any cents. If the Employee Required Contribution is zero, enter “0.00” (do not leave blank).

Note: If the Employee Required Contribution was the same amount for all 12 calendar months, you may enter that monthly amount in the “All 12 Months” box and not complete the monthly boxes. If the Employee Required Contribution was not the same for all 12 months (for instance, if an ALE Member has a non-calendar year plan and the employee share of the premium changes with the new plan year that starts in 2022), enter the amount in each calendar month for which the employee was offered minimum value coverage.

Tip: The amount entered on line 15 might not be the amount the employee is paying for the coverage, e.g., if the employee enrolled in more expensive coverage (such as family coverage) or is eligible for certain other healthcare arrangements.

Form 1095-C, Part II, Line 17: “ZIP Code”

Line 17. If the ALE Member used code 1L, 1M, 1N, 1O, 1P, 1Q, 1T, or 1U because it offered the employee an individual coverage HRA, enter the appropriate ZIP code used for identifying the lowest cost silver plan used to calculate the Employee Required Contribution in line 15. This will be the ZIP code of the employee’s residence (code 1L, 1M, 1N, or 1T) or the ZIP code of the employee’s primary site of employment if the ALE Member uses the work location safe harbor (code 1O, 1P, 1Q, or 1U).

Form 1095-C, Part II, Line 16: Indicator Code Series 2 for “Section 4980H Safe Harbor and Other Relief”

Note: If no indicator code for a calendar month applies, leave line 16 blank. If more than one code applies, generally enter 2C if enrolled in minimum essential coverage, or, if not enrolled, follow ordering rules in the descriptions of the indicator codes.

Note: There is no specific code to enter on line 16 to indicate that a full-time employee offered coverage either did not enroll in the coverage or waived the coverage.

2A. Employee not employed during the month. Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the ALE Member on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the ALE Member.

2B. Employee not a full-time employee. Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month).

2C. Employee enrolled in health coverage offered. Enter code 2C for any month in which the employee enrolled for each day of the month in health coverage offered by the ALE Member, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor) except as provided below. Do not enter code 2C on line 16 for any month in which the multiemployer interim rule relief applies (enter code 2E). Do not enter code 2C on line 16 if code 1G is entered on line 14. Do not enter code 2C on line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage or other post-employment coverage (enter code 2A). Do not enter code 2C on line 16 for any month in which the employee enrolled in coverage that was not minimum essential coverage.

2D. Employee in a section 4980H(b) Limited Non-Assessment Period (LNP). Enter code 2D for any month during which an employee is in a section 4980H(b) Limited Non-Assessment Period. If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the ALE Member is also eligible for the multiemployer interim rule relief for the month, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a section 4980H(b) Limited Non-Assessment Period).

2E. Multiemployer interim rule relief. Enter code 2E for any month for which the multiemployer arrangement interim guidance applies for that employee, regardless of whether any other code in Code Series 2 (including code 2C) might also apply. This relief is described under *Offer of Health Coverage* in the *Definitions* section of the instructions.

Note: Although ALE Members may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer arrangement interim guidance, an ALE Member eligible for the relief provided in the multiemployer arrangement interim guidance for a month for an employee should enter code 2E (multiemployer interim rule relief), and not code 2F, 2G, or 2H (codes for section 4980H affordability safe harbors).

2F. Section 4980H affordability Form W-2 safe harbor. Enter code 2F if the ALE Member used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an ALE Member uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.

2G. Section 4980H affordability federal poverty line (FPL) safe harbor. Enter code 2G if the ALE Member used the section 4980H federal poverty line safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

2H. Section 4980H affordability rate of pay safe harbor. Enter code 2H if the ALE Member used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

Note: An affordability safe harbor code should not be entered on line 16 for any month that the ALE Member did not offer minimum essential coverage, including an individual coverage HRA, to at least 95% of its full-time employees and their dependents (that is, any month for which the ALE Member checked the “No” box on Form 1094-C, Part III, column (a)). For more information, see the instructions for Form 1094-C, Part III, column (a).

2I. Reserved.

Note: References to 9.5% in the section 4980H affordability safe harbors, above, and Qualifying Offer Method are applied based on the percentage as indexed for purposes of applying the affordability thresholds under section 36B (the premium tax credit or PTC). The adjusted percentage is 9.83% for plan years beginning in 2021, and 9.61% for plan years beginning in 2022.